

Title: COFFEE, TEA, SUGAR, ETC.

1.1 Contract Term: Date of Award through Twelve (12) Months

1.2 Price Increase

Seller shall provide service and/or supplies at the prices set forth in PHLContracts for a period of twelve (12) months; thereafter, the contract may be renewed under the terms and conditions of this agreement at the sole option of the City on an annual basis for up to three (3) additional one (1) year period(s). Seller may increase prices for future renewal periods provided that:

Notice of price increases must be received, in writing, by the City at least thirty (30) days prior to the expiration of each contract period in order for price increase to be effective as of the first day of the renewal period. Price increase letter shall be sent to the Airport Buyer, referencing the bid number, contract number, period and showing item(s) description and applicable pricing. Contact the Airport Purchasing Administration Unit (sseairportpurchasing@phl.org) if you are unsure of the assigned buyer on the contract.

Failure to notify the City within this thirty (30) day time frame shall result in the following:

the effective date of the price increase shall be thirty (30) days from the receipt of the price increase letter by the City;

or

if the letter is not received before the last day of the contract period, the prices for the renewal period shall be the same as the prices for the previous contract period.

For each renewal period the price increase and/or decrease shall be based upon the **percent (%) change** in the Index for All Urban Consumers – Philadelphia of the Consumer Price Index (All Items) as published by the U.S. Department of Labor, Bureau of Labor Statistics and as indicated by the Mid-Atlantic CPI Announcement for April of the **applicable year of the renewal**.

In no event shall the price increase exceed 4% in any renewal period. The increase shall reflect the change to the CPI or the 4% cap, whichever is less.

NOTE: Price decreases may be forwarded to the Airport buyer, in writing at any time during the contract period, to include any renewal period(s).